



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 25, 1994

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Lowell P. Braxton, Associate Director *LPS*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Withdrawal of April 11, 1994 Board Approval Request, Amount and Form of Replacement Reclamation Surety, Hecla Mining Company, Escalante Silver Mine - Tailings Impoundment, M/021/004, Iron County, Utah

By memorandum dated April 11, 1994, the Division requested the Board's approval of the amount and form of replacement surety posted by Hecla Mining Company (HMC) for completing the reclamation of the Escalante Silver Mine and mill tailings impoundment. Recent unforeseen circumstances have been brought to our attention, which make it necessary for us to withdraw/suspend our previous request for your approval at this time. The April 11th memorandum is provided for informational purposes only.

A previous permitting/bonding-related oversight has been noted which may have a direct effect on the amount of reclamation surety required for this minesite. Additional information will be requested from HMC to assist the Division in re-evaluating the existing reclamation surety estimate for this mine site. It is likely that the replacement \$771,000 surety as posted by HMC will be sufficient; however, we cannot be certain until we have an opportunity to evaluate the new information.

The information is tied to a previous 1989 commitment by HMC to provide the Division with supplemental reclamation cost details for the millsite and office buildings. The operator failed to provide this information and this oversight was unfortunately not noted until recently. We anticipate receiving this information from HMC and seeking your approval of the final amount and form of reclamation surety within the next 60-90 days.

Thank you for your patience and understanding in this regard.

jb
M021004.brd

